

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

31 JUNE 9, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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Board of Supervisors

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June 09, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

John F. Schunhoff, Ph.D.
Interim Director

Gail V. Anderson, Jr., M.D.
Interim Chief Medical Officer

**APPROVAL OF AMENDMENTS TO THE MASTER AGREEMENT FOR
TELERADIOLOGY AND RADIOLOGY SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

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Los Angeles, CA 90012

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SUBJECT

*To improve health
through leadership,
service and education.*

Request approval of Amendments to extend the terms of four Agreements under the Master Agreement for teleradiology and radiology services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Interim Director of Health Services (Interim Director), or his designee, to execute Amendment No. 2 to Master Agreements H-703703 with NexxRad Teleradiology Partners (NexxRad), H-703690 with Fortino Castaneda, M.D. Inc. (Fortino), H-703691 with U.S. Radiology On-Call (USROC), and H-704012 with Echo Tech Imaging, Inc. (Echo Tech) effective July 1, 2010 for the period July 1, 2010 through December 31, 2010, to extend the term of each, at the same fee per study rate for the noted period, with an estimated aggregate cost of \$1,498,300 for the six month extension period.
2. Delegate authority to the Interim Director, or his designee, to sign Amendments to the Master Agreements that authorize increases to the contract maximum obligation of no more than 15 percent, that will not exceed a maximum amount of \$224,745, for the period July 1, 2010 through December 31, 2010, subject to review and approval by County Counsel and the Chief



Executive Office (CEO) prior to executing such Amendments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will authorize the Interim Director, or his designee to execute an Amendment to each of the four Master Agreements, substantially similar to Exhibit I to extend the term for six months through December 31, 2010. The Master Agreement provides temporary as-needed contract radiology and teleradiology services to Harbor-UCLA Medical Center (H-UCLA), High Desert Health System (HDHS), Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK-MACC), Rancho Los Amigos National Rehabilitation Center (RLANRC), Olive View-UCLA Medical Center (OV-UCLA) and LAC+USC Medical Center (LAC+USC). The current Master Agreements expire June 30, 2010 and the recommended extension will provide the additional time required for DHS to complete the solicitation process for replacement agreements without disrupting access to these important services.

On April 26, 2010, the Department of Health Services (DHS or Department), released a Request for Statement of Qualifications (RFSQ) for radiology and teleradiology services to solicit responses from qualified providers for temporary, as-needed services. Initial responses are due to DHS on or before May 26, 2010. During the six month extension period, DHS will complete the review and selection process and request your Board's approval of successor agreements.

Approval of the second recommendation will grant delegated authority to the Interim Director to increase the maximum obligation by up to 15 percent during the six month extension if service needs exceed anticipated levels.

Implementation of Strategic Plan Goals

The recommended action supports Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Under the Master Agreements, the Contractors are compensated on a fee per study basis and the total maximum obligation for all contractors in the aggregate for the period July 1, 2010 through December 31, 2010 is \$1,498,300. The cost for each DHS facility is identified on Attachment A.

During the period July 1, 2010 through December 31, 2010, the maximum amount of the 15 percent increase, if utilized, will not exceed \$224,745.

Funding for both the maximum amount and any authorized increase is included in the Department's 2010-11 Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The recruitment and retention of qualified physician radiologists continues to be an ongoing problem for most of the facilities in DHS. The Master Agreement approved by your Board on December 2, 2008 allows for the provision of as-needed radiology and teleradiology services which County employees, in-house staffing personnel and County re-employment list personnel are not available to perform, particularly during peak workload periods and emergencies.

The Master Agreement was initiated with three contractors with a contract term effective January 1, 2009 through December 31, 2009. Two additional contractors were subsequently added under the Department's delegated authority bringing the total number of contractors to five. The existence of a contract did not guarantee any of the Contractors a particular level of work. At the end of the initial term, one contractor decided not to extend their Master Agreement with DHS.

On December 8, 2009, your Board approved the first amendment to the Master Agreement to authorize adjustments to the compensation rates for mammography studies and to extend the contract term to allow the additional time necessary to draft and release a solicitation for new Agreements.

Under the termination provisions, the Master Agreement may be terminated for convenience with a 30-day advance written notice by either party.

All of the latest Board mandated provisions are included in the recommended Amendments to the Master Agreement.

County Counsel has approved Exhibit I as to use and form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommendations will ensure the uninterrupted provision of critical physician radiology services to the patients served by DHS facilities.

The Honorable Board of Supervisors

6/9/2010

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "John F. Schunhoff". The signature is fluid and cursive, with the first name "John" being more legible than the last name "Schunhoff".

JOHN F. SCHUNHOFF, Ph.D.

Interim Director

JFS:ms

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

TELERADIOLOGY AND RADIOLOGY MASTER AGREEMENTS**SUMMARY OF FISCAL IMPACT/FINANCING**

<u>Program Office</u>	<u>Initial Maximum 01/01/09 to 12/31/09</u>	<u>Amendment No 1 01/01/10 to 06/30/10</u>	<u>Amendment No. 2 07/01/10 to 12/31/10</u>	<u>Total Maximum 01/01/09 – 12/31/10</u>
HDHS	\$526,300	\$311,000	\$311,000	\$997,500
OV-UCLA	\$390,335	\$195,167	\$250,000	\$835,502
LAC+USC	\$1,200,000	\$0	\$0	\$1,200,000
RLANRC	\$50,000	\$25,000	\$25,000	\$100,000
H-UCLA	\$85,000	\$834,062	\$492,300	\$1,411,362
MLK-MACC	\$480,000	\$338,015	\$420,000	\$1,238,015
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Total Costs	\$2,731,635	\$1,703,244	\$1,498,300	\$5,782,379

During the period July 1, 2010 through December 31, 2010, the maximum amount of the 15 percent increase, if utilized, will not exceed \$224,745.

Contract No. H-703691

**MASTER AGREEMENT FOR RADIOLOGY
AND TELERADIOLOGY SERVICES**

Amendment No. 2

THIS AMENDMENT is made and entered into this _____ day
of _____, 2010,

by and between	COUNTY OF LOS ANGELES (hereafter "County")
and	U.S. RADIOLOGY ON-CALL (USROC) (hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "MASTER AGREEMENT FOR RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT" dated January 1, 2009 and further identified as County Agreement Number H-703691, (hereafter referred to as "Agreement");

WHEREAS, it is the intent of the parties hereto to extend Agreement and provide other changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in the form of a written Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective July 1, 2010.
2. Paragraph 4.0, TERM OF MASTER AGREEMENT of the body of this Agreement shall be amended to read as follows:

“4. TERM OF MASTER AGREEMENT: The term of this Master Agreement is effective upon the date of its execution by the Director of Health Services or his designee as authorized by the Board of Supervisors, and shall continue in full force and effect to and including December 31, 2010, unless terminated sooner pursuant to the terms of this Agreement.”

3. Paragraph 5.0, CONTRACT SUM, of the body of the Agreement shall be amended to read as follows:

“5.1. CONTRACT SUM:

The aggregate maximum obligation of County for all Professional Services provided hereunder, as well as all Professional Services under Master Agreements entered into with other contractors as part of the same solicitation shall not exceed Two Million, Seven Hundred Thirty One Thousand, Six Hundred Thirty Five Dollars (\$2,731,635), for the period of January 1, 2009 through December 31, 2009.

For the period, January 1, 2010 through June 30, 2010, the aggregate maximum obligation for all Professional Services provided under this and all other Master Agreements entered into as part of the same solicitation shall not exceed One Million, Seven Hundred Three Thousand, Two Hundred Forty Four Dollars, (\$1,703,244).

For the period, July 1, 2010 through December 31, 2010, the aggregate maximum obligation for all Professional Services provided under this and all other Master Agreements entered into as part of the same solicitation shall

not exceed One Million, Four Hundred Ninety Eight Thousand, Three Hundred Dollars, (\$1,498,300).

The Director may adjust the County's maximum obligation upwards or downwards during the term of the Agreement by no more than fifteen percent (15%). Any such adjustment to the maximum obligation shall be made in accordance with subparagraph 8.1.3. The maximum amount for the fifteen percent (15%) adjustment increase or decrease, if utilized during the period beginning July 1, 2010, shall not exceed Two Hundred Twenty Four Thousand, Seven Hundred Forty Five Dollars (\$224,745).

All billings by Contractor for Professional Services rendered pursuant to this Master Agreement shall be in accordance with the terms and conditions of 5.1.1, Billing and Payment, and 5.1.2., Compensation Rates and all the rates set forth in Exhibits B and B-1, Compensation Rates for Radiology and Teleradiology Services for Los Angeles County Facilities. Exhibit B details the rates for each type of procedure performed by Contractor between January 1, 2009 and December 31, 2009 and Exhibit B-1 details the rates for each type of procedure performed between January 1, 2010 and December 31, 2010."

4. Except for the changes set forth hereinabove, this Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its

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Director of Health Services, and Contractor have caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
John F. Schunhoff, Ph.D.
Interim Director

U.S.RADIOLOGY ON-CALL (USROC)
Contractor

Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM BY THE OFFICE OF
THE COUNTY COUNSEL

By _____
Signature